

Hilcorp Energy Company

May 3, 2010

CERTIFIED MAIL 70092820000363068280

Mr. Nelson Smith
Superfund Division (6SF-PC)
U.S. EPA Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

Post Office Box 61229
Houston, TX 77208-1229

1201 Louisiana
Suite 1400
Houston, TX 77002

Phone: 713/209-2400
Fax: 713/209-2478



Dear Mr. Smith,

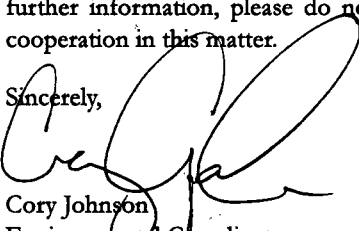
**SUBJECT: CLEAN WATER ACT, SECTION 308 INFORMATION REQUEST-
OIL/PRODUCED WATER RELEASE, 02/28/10, IN JACKSON COUNTY**

Hilcorp Energy Company is writing this letter in response to your request for information on an oil and produced water release that occurred at one of its oil and gas fields in Jackson County, Texas. The spill occurred on the #263 well in the Toney Lease associated with Hilcorp's West Ranch Oil & Gas Field. Please note that the spill was reported to the Railroad Commission of Texas and the Texas General Land Office. The requested information follows here.

1. Please find attached for your review a copy of the incident report letter submitted to the The Railroad Commission of Texas and the Texas General Land Office. The body of water affected was marsh area just south of Menefee lake.
2. The amount of product spilled was estimated to be one barrel of oil and two barrels of produced water.
3. The spill was discovered at approximately 10:10am on February 28, 2010. Hilcorp personnel immediately isolated the source of the release and deployed both sorbent booms and pads to contain the release and recover the product. The absorbent boom was kept in place for one month to assure that all product could be recovered with tidal fluctuations.
4. The cause of the release was determined to be a leak caused by a faulty bull plug associated with the well.
5. The affected water body was marsh area located just south of Lake Menefee. Lake Menefee feeds downstream to the Lavaca River (est. distance is less than one mile).
6. See attached map.
7. See attached map referenced above in request #6.
8. See attached sketch.
9. Before and after pictures were not taken of this incident.
10. To date, no penalties have been assessed by any local, state or federal agency.
11. Hilcorp energy is the owner/operator of the West Ranch Field

No significant damage or lasting impacts to the environment was noted as a result of this spill. If you need any further information, please do not hesitate to contact me directly. Thank you for your understanding and cooperation in this matter.

Sincerely,


Cory Johnson
Environmental Coordinator
Hilcorp Energy Company

cc: File

9689323



Hilcorp Energy Company

February 28, 2010

CERTIFIED MAIL 70092820000363067788

The Railroad Commission of Texas
Oil & Gas Division
District #2 Office
115 East Travis Street, Suite 1610
San Antonio, Texas 78205

Post Office Box 61229
Houston, TX 77208-1229

1201 Louisiana
Suite 1400
Houston, TX 77002

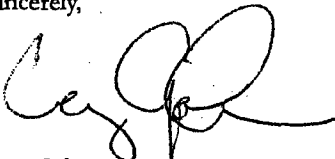
Phone: 713/209-2400
Fax: 713/209-2478

To Whom it May Concern,

**SUBJECT: WEST RANCH FIELD – TONEY LEASE, #263 WELL – OIL/PRODUCED
WATERER RELEASE**

Hilcorp Energy Company is writing this letter as a follow-up on an oil and produced water release that was reported to your agency on February 28, 2010 at approximately 10:10 am. The release occurred on the #263 well associated with the Toney Lease of Hilcorp's West Ranch oil and gas field in Vanderbilt, Texas. The release occurred due to a faulty bull plug on the #263 wellhead. Upon discovery, Hilcorp personnel immediately isolated the source and made proper notifications. Recovery operations consisted of isolating the path of the release with absorbent boom. Please note that upon taking ownership of the West Ranch field, Hilcorp has placed boom around strategic areas associated with the fields' series of satellites and weirs. Initial recovery operations were to consist of utilizing a vacuum truck to recover all released product. However, due to the location of the release being covered in soft mud, Hilcorp would have been unable to utilize the vacuum truck in a safe manner. The absorbent boom will be left in place to collect all product with tidal fluctuations. It is estimated that one barrel of oil and two barrels of produced water were released as a result of this incident. The damaged bull plug will be repaired before bringing the well back online. Please note that representatives from the Railroad Commission of Texas, Texas General Land Office and the United States Coast Guard were onsite and approved of recovery operations. Hilcorp will continue to monitor the area and remediate as necessary. If you have any questions, or need further information, please do not hesitate to contact me directly. Thank you for your cooperation and understanding in this matter.

Sincerely,



Cory Johnson
Environmental Coordinator
Hilcorp Energy Company

cc: Texas General Land Office – Region 3
6300 Ocean Drive, Unit 5847
Natural Resource Center
Corpus Christi, TX 78412-5847
Attn: Kim Griffin

Greg Lalicker
Randy Parker
Tony Garza
Jill Goss
Joey Hayles
File



Menefee Lake #2

West Ranch #263 Well site

Lavaca River

2838 ft

Texas Orthoimagery Program
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Imagery Date: Dec 31, 2008

28°47'49.34" N 96°35'56.19" W elev 5 ft

Eye alt 9853 ft



West Ranch #263 Wellsite

752 ft

Texas Orthoimagery Program
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Imagery Date: Dec 31, 2008

28°47'53.33" N 96°36'01.74" W elev 5 ft

Eye alt 2647 ft

WRA 263- Sp location map
Spill Date: February 28, 2010

4.29.10

